

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2018-0045**

APPROVING WATER RECYCLING FUNDING PROGRAM (WRFP) AND CLEAN WATER
STATE REVOLVING FUND (CWSRF) FINANCING TO KERN-TULARE WATER DISTRICT
(DISTRICT) FOR THE OIL FIELD WATER REUSE PROJECT (PROJECT);
PROJECT NO. 8097-110

WHEREAS:

1. On February 17, 2015 the State Water Resources Control Board (State Water Board) amended the *Policy for Implementing the Clean Water State Revolving Fund* (Policy);
2. On June 16, 2015 the State Water Board adopted the *Water Recycling Funding Program Guidelines* (Guidelines);
3. On June 19, 2018 the State Water Board adopted the 2018-19 CWSRF Intended Use Plan (IUP), which sets forth the plan for how funds will be used within the State Fiscal Year 2018-2019 and refines criteria set forth in the CWSRF policy for the coming year;
4. The District applied for \$5,888,950 in financing for the construction of a new recycled water reservoir and recycled water conveyance pipeline;
5. The Project is listed on the Project List and State fiscal year 2018-19 Fundable List;
6. The District is the lead agency under the California Environmental Quality Act (CEQA), and has prepared an Environmental Impact Report (EIR) for the Project;
7. Adequate public participation was provided through the CEQA review process. The EIR was circulated through the State Clearinghouse (SCH) (No. 2015021024) from May 23, 2016 through July 6, 2016 for public review and commenting;
8. The District certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the Project on August 11, 2016;
9. The District filed a Notice of Determination (NOD) for the EIR with the Kern County Clerk and Governor's Office of Planning and Research (OPR) on August 12, 2016;
10. The United States Bureau of Reclamation (BOR) is the Lead Agency for the Project under the National Environmental Policy Act (NEPA). NEPA documentation for the Project was prepared concurrent with the CEQA documentation under a separate cover;
11. Federally designated agencies have been given the opportunity to comment as required under the CWSRF operating agreement with the United States Environmental Protection Agency (U.S. EPA);
12. The State Water Board notified the U.S. EPA of the "no effect" finding of the Project related to sensitive and special-status species projected under the Endangered Species Act (ESA) on January 24, 2017;

13. The Project conforms with the Clean Air Act;
14. The BOR initiated consultation under Section 106 of the National Historic Preservation Act (NHPA) with the Office of Historic Preservation (OHP) on November 30, 2016. The OHP concurred with the BOR determination of “no adverse effect to historic properties” by the Project on January 4, 2017; and
15. The District’s environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. Mitigation measures have been incorporated into the Project design features or implementation to reduce any potentially significant environmental impacts. The Project will not result in any significant adverse water quality impacts.

THEREFORE, BE IT RESOLVED THAT:

The State Water Board:

1. Approves an estimated \$2,944,475 Proposition 1 Loan, \$444,475 CWSRF Loan, and \$2,500,000 Green Project Reserve (GPR) CWSRF Principal Forgiveness for the District’s Project for a total estimated financing amount of \$5,888,950.
2. Condition this approval, as determined by the District’s environmental review, with the following:
 - a. The District shall comply with the adopted August 11, 2016 Mitigation Monitoring and Reporting Program, including (but not limited) to the following mitigation measures (MM):
 - MM 4.3-1 for air quality,
 - MM 4.9-1 through MM 4.9-5 for hydrology/water quality,
 - MM 4.4-1 through MM 4.4-7 for biological resources, and
 - MM 4.5-1 through MM 4.5-5 for cultural resources.
3. Condition this approval, as determined by the District’s credit review, with the following:
 - a. The District shall pledge the net revenues of the District and the District Enterprise Fund for repayment of the proposed financing agreement. The pledged revenues and funds (source) shall be subject to lien and pledge as security for the financing agreement;
 - b. The District shall establish and maintain rates and charges sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and shall ensure that Net Revenues are equal to at least 1.10 times the annual debt service in each Fiscal Year;
 - c. The District shall establish a restricted Reserve Fund, held in its Enterprise Fund, equal to one year’s debt service prior to Completion of Construction. The restricted Reserve Fund shall be maintained for the full term of the proposed financing agreement and shall be subject to lien and pledge as security for the financing agreement, and its use shall be restricted to payment of the financing agreement during the term.

4. Condition this approval, as determined by the District's technical review, with the following:
- a. The District must submit proof of submittal of a complete Report of Waste Discharge to the Central Valley Regional Water Quality Control Board prior to funds being disbursed;
 - b. The District must provide a copy of the amended Waste Discharge Requirements (WDR) prior to construction funds being disbursed;
 - c. The District must submit an amended agreement with Hathaway, LLC and Jasmin Ranchos Mutual Water Company extending their term to match the full term of the proposed financing agreement prior to construction funds being disbursed.

CERTIFICATION

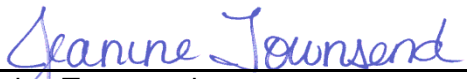
The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on September 20, 2018.

AYE: Vice Chair Steven Moore
Board Member Tam M. Doduc
Board Member E. Joaquin Esquivel

NAY: None

ABSENT: Chair Felicia Marcus
Board Member Dorene D'Adamo

ABSTAIN: None



Jeanine Townsend
Clerk to the Board